

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
ATTORNEY GENERAL TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

AG 1-14

Date: March 9, 2006

Respondent: Theodore Poe, Jr.

Q. Explain in detail how the Company would serve its Cape Cod customers if the Algonquin extension failed to materialize.

A. The options for serving customer requirements are more expensive for KeySpan and its customers if the Algonquin pipeline extension project fails to materialize and another resource must be obtained.

The Company's need analysis for the Cape Cod service area shows a need for incremental gas supply beginning with the 2005/06 heating season. To meet this need, the Company has proposed a Sagamore Line Reinforcement project that is currently pending approval at the Energy Facilities Siting Board in docket EFSB 05-2. the Sagamore Line Reinforcement Project contemplates that long-term (and adequate) incremental supply will be available on the Algonquin pipeline as a result of the Algonquin pipeline extension project beginning in 2007/08 (with interim or "bridging" supplies beginning in 2005/06). If adequate, long-term incremental gas supply does not become available because the Algonquin project fails to materialize, the Company would need to reevaluate its options for maintaining system pressure and obtaining incremental gas supply through one or more of the more costly and less feasible project alternatives set forth in its EFSB filing (e.g., LNG alternatives and extended operation of portable LNG units). A detailed description of the Company's alternatives analysis can be found at section 3.0 of the Company's filing in EFSB 05-2.